



Irish Life Weekly Investment Bulletin

The week that was – WEEK 19 2018 (ending 11/05/2018)

“Simplicity is the ultimate sophistication.” – Leonardo da Vinci

Irish residential property prices rose by 12.7% in the year to March – Latest figures from the Central Statistics Office show that national level residential property prices increased by 12.7% year-on-year in March, with Dublin prices up by 12.1%, the Rest of Ireland by 13.4% and West region houses the highest at 18%.

BOE reduces U.K. inflation and economic forecasts as it leaves rates on hold – The Bank of England monetary policy committee voted 7-2 to keep an 0.5% rate as it forecast that inflation will now slow to the 2% target in two years and it now expects 1.4% GDP growth this year, down from the previous 1.8% forecast.

Global stock market up 2.1% on the week – The MSCI AC World TR Index showed a 2.13% return from 4th May to 11th May, as oil prices reached their highest level since late 2014 and Italy came somewhat closer to forming a coalition government. The Vix closed the week at 12.65, down from 14.77 the previous week.

Italy closer to forming deal on a coalition government – Following nine weeks of negotiation, Italy could be closer to forming a government made up of a coalition of the 5-Star Movement and Northern League parties. President Sergio Mattarella is now pushing for a resolution as otherwise fresh elections would need to be held.

China's exports and imports in April show strong growth – Data from the General Administration of Customs showed April exports rose 12.9% from a year earlier, beating analysts' forecasts for a 6.3% increase and recovering from a 2.7% reduction in March. Imports grew 21.5% year-on year, beating forecasts of 16% growth.

Oil price hits a three-and-a-half-year high with end of Iran/U.S. nuclear deal – West Texas Intermediate (WTI) crude oil rose to over \$71, its highest level since late 2014 after President Donald Trump withdrew the U.S. from the nuclear agreement with Iran and also re-imposed sanctions despite contrary advice from many of its allies.

The Story of the week: Heather Webb from Norwich has been banned from singing inside her own apartment because her voice apparently sounds "like a drowning cat to be honest" said one of her neighbours, Paul Burford. She was handed a 24-month Court Order in December last year but has broken it three times this year - January 8th, January 9th and February 7th. Burford also managed to record some of her "erratic opera singing" on his mobile phone which was played in court while another neighbour said she had to use her headphones to avoid the noise.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 11/05)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	2.5
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-0.1
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	2.0
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	3.2
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	2.7
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	7.2
Nikkei 225	56.7	7.1	9.1	0.4	19.1	0.0
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	1.9
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	0.1
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	3.0
German	1.9	0.5	0.6	0.2	0.4	0.6
UK	3.0	1.9	1.9	1.2	1.2	1.4
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	1.9
Greece	8.2	9.6	7.9	7.1	4.1	4.0
Portugal	6.1	2.7	2.5	3.8	1.9	1.7
Spain	4.1	1.6	1.7	1.4	1.6	1.3
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.75
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.20
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.36
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.2	12.3	36.1	25.1	12.6	8.1%
U.K.	2.7	10.7	17.8	13.1	3.6	10.3%
U.S.	5.3	11.4	11.2	12.1	7.8	7.1%

*Past performance is not a reliable guide to future performance